

**PT BIMA GEMA
PERMATA**

FINANCIAL STATEMENTS
AS OF MARCH 31, 2018
AND FOR THE YEAR THEN ENDED
WITH INDEPENDENT AUDITOR'S REPORT

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**DIRECTORS' STATEMENT
ON THE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018
PT BIMA GEMA PERMATA**

I, the undersigned below, :

Name : Kennedy Perkash Nanik
Office Address : Menara Prima 15th floor, Units A and B, Jl Lingkar
Mega Kuningan Blok B6.2, kawasan Mega Kuningan,
East Kuningan, Setiabudi, Jakarta
Residential Address (in accordance with indentity card) : Jl.Untung Suropati RT 009, Desa Jone, Kec. Tanah
Grogot, Kab. Paser, Kalimantan Timur
Telephone No. :
Title : President Director

declare that :

1. We are responsible for the preparation and presentation of the Company's financial statements for the year ended March 31, 2018.
2. The Company's financial statements have been prepared and presented in accordance with generally accepted accounting principles applied in Indonesia.
3. All information has been fully and correctly disclosed in the Company's financial statements, and the Company's financial statements do not contain materially misleading information or facts, and do not conceal any information or facts
4. I am responsible for the Company's internal control system.

This statement has been made truthfully.

Jakarta, May 24, 2018



Kennedy Perkash Nanik
President Director

The shareholders

PT BIMA GEMA PERMATA

We have audited the accompanying financial statements of **PT Bima Gema Permata** ("The Company"), which comprise the statement of financial position as of **March 31, 2018**, and the statement of profit or loss and other comprehensive income, changes in capital deficiency and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of such financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on such financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

JAS

JUSTINUS A SIDHARTA
REGISTERED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

NO. OPN/BGP/MAR'18/203

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **PT Bima Gema Permata** as of **March 31, 2018**, and their financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.



Justinus A. Sidharta, CPA
Public Accountant Licence no. AP.0944

May 24, 2018

OFFICE:

KOMPLEKS MUTIARA TAMAN PALEM BLOK A19 No.30, OUTER RINGROAD
KAMAL RAYA, CENGKARENG JAKARTA BARAT 11730, INDONESIA

6221 6435 0431 | 6221 2931 9921 | 6220 2931 9923

LICENSE NO. 1227 / KM. 1 / 2011

PT BIMA GEMA PERMATA
STATEMENT OF FINANCIAL POSITION
As of March 31, 2018
(Expressed in United States dollar)

	Notes	March 31,	
		2018	2017
ASSET			
CURRENT ASSET			
Cash and bank	2,4	132,635	55,035
TOTAL ASSET		<u>132,635</u>	<u>55,035</u>
LIABILITIES AND CAPITAL DEFICIENCY			
CURRENT LIABILITIES			
Other payable			
Related parties	2,5	93,008	-
Accrued expenses	6	16,877	126,869
TOTAL CURRENT LIABILITIES		<u>109,885</u>	<u>126,869</u>
NON CURRENT LIABILITY			
Long-term debt			
Security deposit from related party	2,8	1,000,000	1,000,000
TOTAL LIABILITIES		<u>1,109,885</u>	<u>1,126,869</u>
CAPITAL DEFICIENCY			
Capital stock			
Authorized, subscribe and fully paid - 5,100 shares at par value of Rp 1,000,000 per share	9	572,776	572,776
Deficit		(1,550,027)	(1,644,610)
TOTAL CAPITAL DEFICIENCY		<u>(977,251)</u>	<u>(1,071,834)</u>
TOTAL LIABILITIES AND CAPITAL DEFICIENCY		<u>132,634</u>	<u>55,035</u>

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

PT BIMA GEMA PERMATA
STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
For the year ended March 31, 2018
(Expressed in United States dollar)

	Notes	Year ended March 31,	
		2017	2017
SALES		-	-
COST OF GOOD SOLD		-	-
GROSS LOSS		-	-
Liquidation of reclamation deposits		94,348	-
Interest income		5,074	7,123
Taxes expense		-	(69)
Gain (loss) on foreign exchange - net		(4,388)	2,024
General and administrative expenses	2	(450)	(1,415)
Other income - net		-	32,551
INCOME FROM OPERATIONS		94,583	40,214
Finance cost		-	-
INCOME BEFORE INCOME TAX		94,583	40,214
INCOME TAX EXPENSE			
Current	2	-	-
Deferred	2	-	-
PROFIT FOR THE YEAR		94,583	40,214
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		94,583	40,214

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

PT BIMA GEMA PERMATA
 STATEMENT OF CHANGES IN CAPITAL DEFICIENCY
 For the year ended March 31, 2018
 (Expressed in United States dollar)

	Capital stock - issued and fully paid	Deficit	Total capital deficiency
Balance as of April 1, 2017	572.776,00	(1.682.800,00)	(1.110.024,00)
Profit for the year	-	38.190,00	38.190,00
Other comprehensive income	-	-	-
Balance as of March 31, 2017	572.776,00	(1.644.610,00)	(1.071.834,00)
Profit for the year	-	94.583,00	94.583,00
Other comprehensive income	-	-	-
Balance as of March 31, 2018	572.776,00	(1.550.027,00)	(977.251,00)

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

PT BIMA GEMA PERMATA
STATEMENT OF CASH FLOWS
For the year ended March 31, 2018
(Expressed in United States dollar)

	Year ended March 31,	
	2018	2017
CASH FLOW FROM OPERATING ACTIVITIES		
Income before income tax	94.583	38.190
Increase (decrease) in		
Advance	-	126
Accounts payable	-	(4.654)
Accrued expenses	(109.991)	(2.273)
Taxes payable		(277)
	(15.408)	31.113
Net cash provided by (used in) operating activities		
CASH FLOW FROM FINANCING ACTIVITIES		
Increase (decrease) in due to related parties	93.008	(135.536)
Decrease in due from related parties	-	143.732
	93.008	8.196
Net cash provided by financing activities		
INCREASE IN NET CASH AND BANK	77.600	39.308
CASH AND BANK AT BEGINNING OF YEAR	55.035	15.727
CASH AND BANK AT END OF YEAR	132.635	55.035

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

1. GENERAL

a. The Company's establishment

PT Bima Gema Permata ("the Company") was established based on notarial deed no. 11 of public notary Hasbullah Abdul Rasyid, SH, M.Kn dated May 30, 2005. The deed of establishment was approved by the Minister of Law and Human Rights of the Republic of Indonesia in decision letter no. C-17032 HT.01.01.Tahun 2005 dated June 21, 2005, and was published in State Gazette No. 27 dated April 5, 2011, Supplement No. 9160 Year 2011.

The Company's articles of association have been amended several times, most recently by notarial deed no. 40 of public notary Mellyani Noor Shandra, SH, dated February 16, 2011 to comply with Law no. 40 year 2007 on limited companies. The changes have been accepted by the Minister of Law and Human Rights of the Republic of Indonesia in acceptance letter no. AHU-11580.AH.01.02 Year 2011 dated March 8, 2011.

The Company's scope of activities is coal mining and sales.

In January 2016, the Company had sold all of its fixed assets including site equipment, and all of its employees had been terminated. Therefore, since then the Company has no business activity.

The Company is domiciled in Menara Prima, 15th floor, units A and B, Jalan Lingkar Mega Kuningan Blok B6.2, Kawasan Mega Kuningan, East Kuningan, Setiabudi, Jakarta. The Company's site is located in Desa Petanggis, Kecamatan Batu Engau, Kabupaten Paser, East Kalimantan.

The Company belongs to a group of companies owned by Mercator Limited (the Group), a group listed in the National Stock Exchange and Bombay Stock Exchange, India.

b. Coal mining license

The Company has obtained a coal mining and exploitation licence based on decision letter of Paser Regent no. 545/09/Eksplorasi/EK/XII/2007 covering 260,277 ha. The license has been reused several times most recently comply with government regulation no. 23 year 2010, "Mining Production Activity Licences" based on decision letter of Paser Regent no. 545/4/Operasi Produksi/EK/XII/2012, valid until December 21, 2017.

c. The board of commissioner and director and employees

The composition of the Company's board of commissioner and director as of March 31, 2016 is as follows :

Board of commissioner

Commissioner : Atul Agarwal

Board of director

Director : Raheja Kirtipal Singh

As of March 31, 2018, the above Company's boards of commissioner and director is inactive.

The Company's management is responsible for the preparation of the accompanying financial statements that were completed and authorized to be issued on May 24, 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**a. Basis of preparation of the financial statements**

The financial statements have been prepared in accordance with Statements of Financial Accounting Standards ("PSAK") in Indonesia, which issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants ("DSAK").

The financial statements have been prepared on the accrual basis using the historical cost concept, except for certain accounts which are measured on the bases as described in the following notes to the financial statements.

The statement of cash flows presents cash flows classified into operating, investing and financing activities. The cash flows from operating activities are presented using the indirect method.

The reporting currency used in the financial statements is the United States dollar ("US\$"), which is also the Company's functional currency.

b. Foreign currency transactions and balances

The Company considers the primary indicators and other indicators in determining its functional currency. If indicators are mixed and the functional currency is not obvious, management uses its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Transactions involving foreign currencies are recorded at the rates of exchange prevailing at the time the transactions are made. At statement of financial position date, monetary assets and liabilities denominated in foreign currencies are adjusted to reflect the last prevailing rates as of such date and the resulting gains or losses are credited or charged to current operations.

The rate of exchange used was as follows :

	March 31,	
	2018	2017
1 Indonesian Rupiah (Rp)	1/13,756	1/13,321

c. Transactions with related parties

A related party is a person or entity that is related to the Company.

- a. A person or a close member of that person's family is related to the Company, if that person :
 - (i) has control or joint control over the Company,
 - (ii) has significant influence over the Company, or
 - (iii) is a member of the key management personnel of the Company or of a parent entity of the Company.

- b. An entity is related to the Company if any of the following conditions applies :
 - (i) The entity and the Company are members of the same group.
 - (ii) One entity is an associate or joint venture of the Company (or an associate or joint venture of a member of a group of which the Company is a member).
 - (iii) Both entity and the Company are joint ventures of the same third party.
 - (iv) The Company is a joint venture of a third entity and the other entity is an associate of the third entity.

- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company.
- (vi) The entity is controlled or jointly controlled by a person identified in point a.
- (vii) A person identified in point a (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

d. Expense recognition

Expenses are recognized when they are incurred.

e. Corporate income tax

Current tax expense is provided based on the estimated taxable income for the year. Deferred tax assets and liabilities are recognized for temporary differences between the financial and the tax bases of assets and liabilities at each reporting date. Future tax benefits, such as tax losses carry-forward, are also recognized to the extent that realization of such benefits is probable. The tax effects for the year are allocated to current operations, except for the tax effects from transactions which are directly charged or credited to equity.

Deferred tax is calculated at the tax rate that has been enacted or substantively enacted at the statement of financial position date.

Amendment to tax obligation is recorded when an assessment letter is received or if appealed against, when the results of the appeal are determined. The additional taxes and penalty imposed through an assessment letter are recognized as income or expense in the current year profit or loss, unless objection/appeal is taken. The additional taxes and penalty imposed through an assessment letter are deferred as long as they meet the asset recognition criteria.

However, based on the government regulation no. 46 year 2013, for companies with revenues amounting to Rp 4.8 billion per year or below, the corporate income tax is calculated based on final basis of 1% from the revenues.

4. CASH AND BANK

Cash and bank consist of :

	March 31,	
	2018	2017
Cash and hand		
Indonesian Rupiah		1,000
Cash in bank		
Indonesian Rupiah		
PT Bank Mandiri (Persero), Tbk.	101,118	5,559
PT Bank Danamon Indonesia, Tbk.	31,448	48,404
United States dollar		
PT Bank Danamon Indonesia, Tbk.	69	72
Total cash in bank	132,635	54,035
Total	132,635	55,035

All cash in banks are placed in third-party bank.

5. OTHER PAYABLES

This account represents operational loan to PT Indo Perkasa and PT Karya Putra Borneo, related parties, bears no interest and without terms of payment, amounting to US\$ 56,723 and US\$ 36,285 as of March 31, 2018, respectively.

6. ACCRUED EXPENSES

This account represents non tax state revenues payables amounting to US\$ 16,877 as of March 31, 2018 and US\$ 126,869 as of March 31, 2017.

7. TAXATION

The reconciliation between income before income tax as shown in the statements of profit or loss and other comprehensive income, and estimated taxable income for the year ended March 31, 2017 is as follows :

Income before income tax	38,190
Permanent differences	
Non-deductible expenses	
Taxes	69
Income already subjected to final tax	
Interest	<u>(7,123)</u>
Estimated taxable income	<u>31,136</u>
Estimated fiscal loss	
Year ended March 31, 2015	<u>(123,657)</u>
Accumulated estimated fiscal loss	
Year ended March 31, 2015	(92,521)
Year ended March 31, 2016	<u>(1,078,269)</u>
Total accumulated fiscal loss	<u><u>(1,170,790)</u></u>

BGP is in a contra review process against the judicial review submitted by Indonesian Directorate General of Tax. The case was already won by BGP at the Tax Court level, however, the Directorate General of Tax submitted a judicial review on such case. The management believes that the company is in a strong position to encounter the above judicial review.

8. SECURITY DEPOSIT FROM RELATED PARTY

This account represents security deposit in relation to the coal off take agreement provided by MCS Holdings Pte. Ltd amounting to US\$ 1,000,000 as of March 31, 2018 and 2017, respectively.

9. CAPITAL STOCK

The details of the Company stockholders as of March 31, 2018 and 2017 as follows :

Shareholders	%	Number of shares	Nominal per share	Total
PT Oorja Indo Petangis Three	50	2,550	112	286,388
PT Oorja Indo Petangis Four	50	2,550	112	286,388
Total	100	5,100		572,776

10. THE COMPANY'S FINANCIAL CONDITIONS

On March 31, 2018, the Company is in an inactive condition, this condition is due to the unfavorable economic condition/ unfavorable coal price. At present the management decided to maintain the Company in dormant position.

11. SUBSEQUENT EVENTS

Based on notarial deed no. 17 of public notary Aditya Putra Patria, SH, MKn, dated April 20, 2018, the composition of the Company's board of commissioner and directors has become as follows :

Board of commissioner

Commissioner : Adip Mittal

Board of director

President Director : Kennedy Perkasih Nanik
Director : Archana Mittal
Director : Shalabh Mittal